

November 15, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**DEPARTMENT OF HEALTH SERVICES RECOMMENDATIONS TO APPROVE
RETROACTIVE CONTRACTS (ITEM NO. 34, AGENDA OF NOVEMBER 19, 2002)**

This is to advise you that the Department of Health Services (DHS) has filed a request for Board consideration of four agreements, two of which are retroactive, on the November 19, 2002, agenda. This action is not in compliance with the Board-approved policy to ensure the timely submission of contracts for Board approval. The two retroactive contracts are for consulting services provided by the Partnership for Community Health and Nonprofit Management Solutions, both of which are addressed in recommendation No.1 of the Board letter.

Despite the retroactive nature of the contracts, we recommend approval of this item due to the fact that the consulting services are necessary for the County to comply with federal requirements for receipt of Ryan White CARE Act funds.

A number of factors contributed to the retroactive nature of these agreements, including premature solicitation of services in order to meet an October 10, 2002 deadline to apply for CARE Act funds, departmental delays in processing the purchase orders and subsequent discussions with the Internal Services Department about the purchase order request, and the need to review allegations of problems in the solicitation process raised by community advocates. The Auditor-Controller's review indicated that, while the RFP process did not comply with all County purchasing rules, there did not appear to be any violations that would warrant canceling vendor selections.

Each Supervisor
November 15, 2002
Page 2

As further indicated in the Board letter, the Department is taking corrective action regarding the delays in processing the purchase order requests. In addition, the Department has been instructed that it may not authorize services prior to a legal obligation from the County. Furthermore, contract process training will be provided to all Commission members.

If you have any questions or need additional information, please call me or your staff may contact Dennis Conte at (213) 893-9741.

DEJ:DIL
DC:bjs

c: Executive Officer, Board of Supervisors
 County Counsel
 Auditor-Controller
 Director of Health Services